

HONOLULU STAR-BULLETIN (H)
31 August 1984

ARTICLE APPEARED
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Rewald Is Held on 100 Counts

Calls Isle Legal Action 'Silly Stuff,' Awaits Rescue from Congress Allies

By Charles Memminger
Star-Bulletin Writer

When told that a federal grand jury might be preparing to indict him this week, Ronald R. Rewald said he was not concerned with the "silly stuff" happening in Honolulu.

Rewald, in characteristic fashion, said that his allies in Congress would come to his aid if and when he was indicted.

"I'm prepared to blow the lid off this whole thing," Rewald said in a telephone interview Tuesday.

Today, Rewald is in the custody of U.S. marshals after FBI agents arrested him in Los Angeles yesterday.

The arrest came after the grand jury here returned a 100-count indictment charging the former Hawaii businessman with mail fraud, securities fraud, perjury, failing to keep records, income tax evasion, interstate transportation of stolen securities money and other federal violations.

SOME OF THE perjury charges are the result of sworn statements Rewald made in which he said the CIA was responsible for setting up his company Bishop, Baldwin, Rewald, Dillingham & Wong.

During the past few months, as the U.S. attorney's office was working to build its case and presenting it to the grand jury, Rewald was on the Mainland, drumming up support for his contention that the CIA set up Bishop, Baldwin as a front and used it to funnel money to foreign projects.

Rewald said he had been successful, that if he were indicted, his supporters, including some in Congress he would not name, as well as former FBI agents, would come to his defense.

In the interview, Rewald said he was living in Los Angeles, working for a "communications" company he would not identify.

Told that he might be indicted this week, Rewald said he had been hearing about impending indictments continually since February and that such talk did not surprise him anymore. In fact, he said, he was looking forward to Monday when his family would be together for the first time since his company collapsed more than a year ago.

REWALD CHARGED that U.S. Judge Martin Pence has been pressuring the government to return an indictment against him.

"He's been the judge, jury and executioner," he said.

At 1:55 p.m. Hawaii time yesterday, FBI agents, armed with a warrant signed by Pence, arrested Rewald at his residence at 647 South June St. in Los Angeles.

Rewald is being held in lieu of \$50,000 bail pending a removal hearing today in Los Angeles. If Rewald does not fight extradition, he will be returned to Hawaii as soon as possible to be arraigned, according to John Peyton, assistant U.S. attorney who has been heading the Rewald investigation.

The grand jury returned the massive indictment against Rewald at 1:30 p.m. yesterday, bringing a range of charges against the 41-year-old former investment counselor.

There were few surprises in the indictment. Basically, it formally charges Rewald with offenses that have been alleged by bankruptcy officials and other investigators familiar with Rewald's operation.

IN ESSENCE, the indictment charges that Bishop, Baldwin, Rewald, Dillingham & Wong was nothing more than a shell company Rewald used to bilk \$22 million from about 400 investors.

The indictment specifically charges that Rewald:

✓ Lied when he swore under oath that the CIA had directed the founding of Bishop, Baldwin.

✓ Lied when he said the CIA provided him with fake diplomas from Marquette University and that the CIA directed him to misrepresent that Bishop, Baldwin investments were insured by the Federal Deposit Insurance Corp.

✓ Spent \$5.5 million of investors money for his personal benefit, including \$270,000 for "social and sexual intercourse with women," \$256,000 in connection with polo, \$264,000 for horses, \$719,000 for residences, \$784,000 for ranches, and \$467,000 for cars.

✓ Convinced investors "especially those who were retired or suffering from illnesses or personal tragedy" that they could trust him to handle their financial and legal affairs.

✓ Owes more than \$600,000 in income taxes.

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